

GENERAL EXPLANATION Continued

**Contract Characteristics by Size of Operation**

The payment determination, other contract characteristics, and operator characteristics tables for each commodity present contract characteristics by size class of contract operations.

The average size of the contract operation, is helpful in qualifying the size classes used. More specifically, the average size data measures the effect of using an open ended classifier for the largest operations. Broilers and slaughter hogs are the only commodities whose average size of operation are located in the largest size class.

Table 7 also provides the average unit price received for the commodity under contract. Previous reference to this data was made in the discussion regarding the price received for production versus marketing contracts.

Note should be made regarding tables 43, 45, and 47 for chicken eggs contracted. Since size data were requested in dozens of eggs, a conversion was necessary to obtain number of hens, a more commonly employed unit of measuring when referring to the size of laying operations. An approximation of the size classes measured in hens was obtained by dividing the dozens of eggs by 20.

Although there is an obvious correlation between certain contract operator

characteristics, such as value of products sold in 1977 and the size of the contract operation, there are no apparent differences in the contract characteristics such as payment determination, availability of other contractors, involvement of bargaining associations, satisfaction with contract terms, etc., due to the size of the operation. Hence, there is no readily apparent contract advantage realized by large scale contract operations.

**Table 7. Average Size of Contract Operation and Average Unit Price Received**

|                             | Average size of operation |                      |         | Average unit price received |                       |                 |
|-----------------------------|---------------------------|----------------------|---------|-----------------------------|-----------------------|-----------------|
|                             | Farms                     | Unit of size measure | Size    | Farms                       | Unit of value measure | Value (dollars) |
| Feeder cattle.....          | 86                        | Head                 | 423     | 85                          | Head                  | 255.43          |
| Feeder pigs.....            | 129                       | Head                 | 913     | 129                         | Head                  | 30.22           |
| Slaughter hogs.....         | 56                        | Head                 | 1,321   | 56                          | Head                  | 63.41           |
| Broilers.....               | 1,039                     | Number               | 149,292 | 1,034                       | Number                | .10             |
| Chicken eggs.....           | 551                       | Dozen                | 467,193 | 551                         | Dozen                 | .10             |
| Tomatoes for processing.... | 275                       | Acre                 | 186     | 275                         | Ton                   | 54.34           |
| Potatoes.....               | 356                       | Acre                 | 180     | 353                         | Hundredweight         | 2.92            |